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TITLE: The BRENNEKE Trial (Re: The OCTOBER SURPRISE)

+From   : harelb@cabot (Harel Barzilai)
+Subject   : The BRENNEKE Trial (Re: The OCTOBER SURPRISE)

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T h e V e r d i c t i s T r e a s o n
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by David Armstrong and Alex Constantine
Z Magazine, July/August 1990
[excerpts]

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[For more info, see misc.activism.progressive which is carrying a string of articles about the October Surprise --Harel]

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The May 4 acquittal of Richard Brenneke, the self-proclaimed CIA contract agent accused of lying to a federal grand jury about the 1980 Reagan-Bush campaign's efforts to delay the release of 52 American hostages then held in Iran, has cast a long shadow over Washington. Despite the modicum of attention the case has received in the mainstream press, its true implications-namely "treason," "perjury," and "impeachable offenses"-have yet to be fully addressed.

Brenneke's story bears repeating. On September 23, 1988, Brenneke, a

Portland, Oregon, property manager and arms dealer, voluntarily testified at the sentencing hearing of his "close friend," Heinrich Rupp, a gold dealer and former-Luftwaffe pilot who had been convicted of bank fraud in Colorado. During closed-door testimony before Judge James R. Carrigan, Brenneke told the Denver court that both he and Rupp had worked for the CIA on a contract basis since 1967, including flying planes for Air America, the CIA-owned front company in southeast asia. Moreover, Brenneke testified that Rupp believed he'd been "doing something the [CIA] asked him to do" when the fraud was committed.

To support his claim, Brenneke swore that both he and Rupp had been employed by the CIA to assist in covert operations on numerous occasions. One of these clandestine adventures, according to Brenneke, was a midnight flight to Paris in 1980.

The October Surprise

In his Denver deposition, Brenneke testified that on the night of October 18, 1980, Rupp flew Reagan-Bush campaign director William Casey from Washington's National Airport to the Le Bourget Airfield north of Paris for a series of secret meetings. According to Brenneke, it was at these meetings--held on October 19 and 20, at the Waldorf Florida and Crillon hotels--that members of the Reagan-Bush campaign secretly negotiated an "arms-for-no-hostages" deal with representatives of the Ayatollah Khomeini. The purpose of this Faustian pact, Brenneke said, was to prevent an "October Surprise"--the release of the hostages prior to the November elections--thereby ensuring President Carter's defeat. For their part, the Iranians allegedly received $40 million with which they could purchase badly needed American-made weapons and military spare parts for their war against Iraq.

Brenneke testified that he had participated in the last of the three Paris meetings, working out the details of the cash and weapons transactions. Also present at this meeting, Brenneke said, was William Casey, who was eventually appointed Reagan's CIA director. It was in that latter capacity that Casey masterminded the arms-for-hostages deal with Iran that would eventually be known as the Iran-Contra scandal.

Also in attendance at this remarkable meeting, according to Brenneke, was Donald Gregg, a CIA liaison to President Carter's National Security Council. Gregg, a CIA operative since 1951, later became National Security Advisor to Vice President George Bush, and is currently the US ambassador to South Korea.

A third member of the American delegation in attendance at the Paris meetings, Brenneke told the court, was then-vice presidential hopeful George Bush. A month after his Denver testimony, Brenneke wrote a letter to Judge Carrigan amending his statement. In the letter, Brenneke explained that he had no first hand knowledge of Bush being in Paris, but had been told by Rupp that Bush had been spotted on the tarmac at Le Bourget. When questioned on this point during his trial, Brenneke replied: "I simply repeated what I was told.... I disbelieved it then, and I

disbelieve it now."

Brenneke's Day in Court

Eight months after his sworn statement in Denver, the US Justice Department charged Brenneke with five counts of making "false declarations" to a federal judge. The indictment alleged that Brenneke had knowingly lied when he said that both he and Rupp had worked for the CIA. The government also charged that Brenneke had concocted the entire story about Bush, Casey, Gregg and the "October Surprise" deal.

Speculation at the time held that the indictment may have been timed to avoid political embarrassment. During the 1988 presidential campaign, Brenneke had publicly accused Gregg of directing the Contra resupply effort out of Vice President Bush's office. After assuming the presidency, Bush nominated Gregg to become the US ambassador to South Korea. Gregg's Senate confirmation hearings began on May 12, 1989, the same day Brenneke was indicted. The charges effectively prevented senators from raising Brenneke's accusations during the confirmation process.

Furthermore, the Bush administration showed no real interest in taking Brenneke to trial. In fact, the prosecution offered Brenneke a deal that would keep him out of jail in exchange for a guilty plea. Despite having no money and suffering from a severe heart ailment, Brenneke refused the government's conditions.

Brenneke's trial began on April 24, in federal district court in Portland, Oregon. Brenneke's attorney, Michael Scott, the brother of Rep. Patricia Schroeder, D-Colorado, had originally planned to subpoena a star-studded list of witnesses for the defense. Among the notables were former President Carter and former Iranian President Abolhassan Bani-Sadr, both of whom have stated that they were aware of the Reagan-Bush campaign's hostage negotiations prior to the 1980 election.

Being broke, however, Brenneke was forced to rely on the government to pay the expenses of his witnesses. It was up to the court, therefore, to determine which witnesses were necessary to his defense. Judge Malcolm F. Marsh--a Reagan appointee--had no trouble determining that Carter, Bani-Sadr, and Robert McFarlane were not. In fact, of the 24 potential witnesses presented by Brenneke lawyers, only five were deemed "necessary."

Government prosecutor Thomas O'Rourke, the US attorney in Denver, suffered under no such burden. At taxpayers' expense O'Rourke assembled an impressive roster of government witnesses. Eldon Hatch, a CIA personnel specialist, testified that after thoroughly searching the agency's files he could find no employment records for either Rupp or Brenneke. Under cross examination, however, Hatch admitted that Rupp had been trained by Inter-Mountain Aviation, a CIA proprietary. Hatch, a 31-year CIA veteran, also acknowledged that the agency had maintained "files" on both Rupp and Brenneke. Defense witness Frank Snepp, a former CIA agent and critic of the Agency, later testified that CIA contract agents were often listed in "Soft files" that "existed only in a clandestine part of the agency and

were not shared with personnel because the [agent's] situation was so sensitive.

A Star is Sworn

The government's star witness was Donald Gregg, who was flown in from South Korea to testify. But Gregg has never been a credible witness. During the Congressional Iran-contra hearings, Gregg testified under oath that despite being vice President George Bush's National Security Adviser at the time, he had not learned of the Reagan Administration's efforts to resupply the Nicaraguan Contras until August 1986. During his Senate confirmation hearing in 1989, however, information surfaced that clearly contradicted Gregg's earlier statements. An entry in one of Oliver North's notebooks that somehow escaped the shredder indicates that Gregg attended a meeting on the illegal resupply operation in September 1985. In addition, a memo from Gregg's on office initialed by Gregg himself, reveals that on May 1, 1986, Gregg met with Vice President Bush to discuss "resupply of the Contras." Gregg attributed the discrepancy to a secretarial error, claiming the meeting had actually concerned "resupply of the Copters." A New York Times editorial a the time ran under the heading "Mr. Gregg Still Lacks Credibility."

During the Brenneke trial, Gregg swore he did not go to Paris on October 18, 1980, but had been vacationing with his family at Bethany Beach, Delaware. To prove his point, Gregg presented photographs of himself, his wife and their daughter, on a sunny beach that he said were taken on the weekend in question.

Gregg's claims were easily disproved by Robert Lynott, a veteran meteorologist for the National Weather Service, the National Forest Service and a Portland TV station. After comparing the photographs with reports from the Indian River weather station--ten miles from Bethany Beach--Lynott concluded that "These pictures were not taken on those days. I'm 100 percent sure that they weren't taken on the 18th and I'm 90 percent sure they weren't taken on the 19th."

As for Bush and Casey, prosecutor O'Rourke failed to demonstrate that they could NOT have been in Paris on the relevant days. This inexplicable lack of accurate record keeping is all the more remarkable for a campaign manager and candidate at the height of a presidential race.

More damning testimony came from Richard Allen, a former Reagan-Bush campaign official who later served as President Reagan's National Security adviser. Allen told the court that during the fall of 1980, he had set up a secret committee within the campaign to monitor the Carter Administration's progress in their hostage negotiations. Two internal campaign memos were presented as evidence to support Allen's testimony. The first, dated October 15, 1980, was from Allen to Reagan, Casey, campaign strategist Richard Wirthlin, and Edwin Meese III, who later became Reagan's attorney general. According to the memo, a person referred to as "ABC XYZ" had informed the campaign that the hostages could be freed "at any moment, as a bolt from the blue." Allen testified that "ABC XYZ" was

in fact Edmund Muskie, who at the time was President Carter's secretary of state. [note Muskie served with John Tower and Brent Scowcroft on the presidential commission which investigated the Iran/Contra scandal. RW] A second memo, dated October 24, 1980, named Bob Garrick, a high ranking campaign official, as the sole spokesperson on the hostage issue.

Another defense witness, Israeli Col. William Northrup, testified that American-made weapons were shipped to Iran via Israel "within a fortnight" of the Paris meetings, implying that they were part of the deal not to release the hostages.

In his closing argument defense attorney Michael Scott stressed the timing of the hostages release which came on January 20, 1981, just minutes after Reagan was sworn in as president.

T h e V e r d i c t

On May 4, after only five hours of deliberation, the jury found Brenneke "not guilty" on all five counts.

"We were convinced that, yes, there was a meeting, and he was there and the other people listed in the indictment were there," said jury foreman Mark Kristoff following the trial. "There never was a guilty vote ... It was 100 percent."

While the jury's verdict represents a substantial victory for Brenneke personally, many questions remain unresolved. Technically, the decision does not mean Brenneke was telling the truth about the Paris meetings; it simply means the government was unable to convince the jury that he was lying.

Still, there is a substantial body of circumstantial evidence suggesting that the Reagan-Bush campaign stole the 1980 election, and the Brenneke decision adds even greater credence to that argument. At the very least it suggest the Republicans were willing to barter with American lives for their own political gain. Legally, any dealings between campaign officials and the Iranians would be a clear violation of the Logan Act, which prohibits private citizens from engaging in diplomatic negotiations with foreign governments. More important, since Iran could easily have been classified as a hostile nation at the time, any effort to furnish them with weapons would constitute providing aid to an enemy nation, which is tantamount to treason.

Then there is the question of Donald Gregg's testimony. If, as the jury apparently believed, Gregg was not telling the truth about his whereabouts on that all important weekend in 1980, will the bush administration be as vigilant in seeking perjury charges against him as it was in prosecuting Brenneke?

E n t e r t h e S & L ' s

In addition to lifting the lid on the October Surprise, Brenneke's testimony in Denver shed light on another scandal. During his deposition, Brenneke stated that the bank fraud for which Rupp was convicted was actually part of a larger "systematically developed program by which money was raised for the Contras, using a variety of schemes involving banks, and then involving the disposition of those funds."

Brenneke's comments became the center piece for a series of investigative reports by Pete Brewton of the Houston Post. Earlier this year, Brewton revealed that "the CIA may have used part of the proceeds from S&L fraud to help pay for covert operations and other activities that Congress was unwilling to support publicly." Brewton disclosed that "numerous links" exist "between organized crime figures and CIA operatives, including some involved in gun running, drug smuggling, money laundering, and covert aid for the Nicaraguan Contras."

One example Brewton refers to is Indian Springs State Bank in Kansas City, Missouri. When Indian Springs failed in 1984, federal investigators focused their attention on Farhad Azima, a major shareholder in the bank. Azima, an Iranian emigrant who's family had close ties to the Shah, has been linked in court documents to the CIA and organized crime. Azima was also the owner of Global International Airways. Brewton reported that an ID card given to him by Brenneke, dated November 1, 1975, shows a vice president and pilot for global to be none other than Heinrich Rupp. Global supplied one of the cargo planes used by the White House to deliver 23 tons of TOW missiles and sundry spare parts to Tehran.

Among Global's clients was Southern Air Transport, once owned-and-operated by the CIA. Southern Air personnel maintain that Global ran weapons out of Dallas to the contras and cocaine back into the US. Global's biggest customer was the Egyptian American Transport and Services Corporation (EATSCO). EATSCO's board of directors included unindicted Iran-contra figure Theodore Shackley and convicted Iran-contra conspirator retired Gen. Richard Secord. The finances of Indian Springs Bank and Global were intimately intertwined. When Global filed for bankruptcy, Indian Springs was next in line.

Is There a Reporter in the House?

Mainstream coverage of the Brenneke trial and the CIA/Mafia/White House links to the S&L crisis have been conspicuously absent. Following the Brenneke decision, the Los Angeles Times, the New York Times and the Washington Post all ran short Associated Press wire stories but never mentioned the words "treason" or "perjury." Joel Bleifuss of In These Times writes: "The most interesting of the three AP stories was the heavily and strangely edited version in the Washington Post. It seems that if the jury didn't have sense enough to find Brenneke guilty, it was up to the Post to do the job."

Brewton's revelations concerning the S&L debacle have fared even worse. In February, the Los Angeles Times buried a short piece outlining

Brewton's basic thesis, and has since failed to follow up on the allegations. To date, neither the New York Times nor the Washington Post have seen fit to report on the subject.

Having been vindicated in court, Brenneke says he plans to write a book about his life in the CIA and the October Surprise. It will be interesting to see how the press responds when his story, which has been sitting right under their noses for four years, "breaks" in the book review section.

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Further Reading

S & L scandal

Pete Brewton's investigative articles in the Houston Post are (may be incomplete):

"S&L probe has possible CIA links" 2/4/90
"Evidence finds CIA operatives may be implicated in failure" 2/5/90
"[House] Panel calls CIA chief to testify" 2/6/90
"A bank's shadowy demise" 2/8/90
"Azima no stranger to Texas business" 2/(between 8 and 11)/90
"Linsay aided S&L probe figure" 2/11/90
"Texas S&L, mob, CIA: A tangled web of deceit" 2/18/90
"CIA declines to testify before [House] panel" 2/21/90
"House committee plans investigation of agency's actions" 3/2/90
"The suspicious trail of Denver S&L failure" 3/11/90
"Attorney linked to S&L crisis has ties to CIA, Mafia figures" 4/4/90
"House investigators pursue Post's S&L findings" 7/11/90
also "The news story hardly anyone wants to touch" by Nicols Fox, July/August Washington Journalism Review
also see the book "Inside Job" by Steve Pizzo, Mary Fricker & Paul Molo

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(note: as of mid November, 1990, the staff of the House Intelligence committee is about to make a recommendation as to whether to pursue a formal investigation of the Post's allegations)
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CIA & drug smuggling:

"Is there a contra drug connection?" Newsweek, 1/26/87
"Contra arms crew said to smuggle drugs" New York Times, 1/20/87
"Bay area cocaine ring tied to contras" San Francisco Examiner, 3/16/86

"Nicaraguan exile's cocaine-contra connection" SF Examiner, 6/23/86
"Probe tracks contra smuggling, US role" Chicago Tribune, 3/3/87
"Narco-terrorism: A tale of two stories" Columbia Journalism Rev, Sept/Oct 87
"Pilot: I flew contra arms in, pot out" Newsday, 4/6/87
"Obstruction at justice" The Village Voice, 3/31/87
"Memo urged Iran panels to absolve contras of drug charges" Boston Globe 8/5/87
"North's aids linked to Austrialia study" New York Times, 3/8/87
"CIA, contras hooked on drug money" In These Times, 4/15/87

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A l s o s e e :
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New York Times 2/24/87, 7/16/87
Washington Post 12/27/85, 6/30/87
Wall St. Journal 4/22/87
Miami Herald 2/16/87, 3/22/87
Los Angeles Times 2/12/87, 2/18/87
CBS News West 57th, contra drug reports aired 4/6/87 and 7/11/87
Related books:
"Out of Control" by Leslie Cockburn, Atlantic Monthly Press, 1987
"The Crimes of Patriots" by Jonathan Kwitney, Norton, 1987
"The Iran Contra Connection" by Johnathan Marshall, Peter Scott, Jane Hunter,
South End Press, 1987
"The Politics of Heroin in Southeast Asia" by Alfred W. McCoy,
Harper & Row, 1972
"The Great Heroin Coup" by Henrik Kruger, South End Press, 1980
"In Banks We Trust" by Penny Lernoux, Anchor Press/Doubleday, 1984

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